TRADEWINDS

Volume VIII, Issue I

An Update by the Agricultural Export Program

January 2000

Cherié Watte Departs... Others Arrive...

Cherié Watte, Director of International Trade and Manager of the Agricultural Export Program (AEP) for CDFA has resigned her position. After two and a half years with the Export Program, Cherié has moved on to become the Executive Director of the California Asparagus Commission. While Cherié will be deeply missed at AEP, we wish her luck and happiness in her new endeavor.

In addition to the departure of Cherié, Martha Reyes has taken an excellent job opportunity at the Department of Health Services. Martha worked in the Export Program as a Staff Service Analyst. Martha prepared and reviewed contracts for trade shows and other activities. With her promotion to Health Services, Martha leaves the Export Program behind with many fond memories.

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WTO Ministerial Meeting

Ag Secretary Bill Lyons meets with USDA Officials!

Secretary Lyons, of the California Department of Food and Agriculture, traveled to Seattle accompanied by a delegation of California agriculture representatives to attend the opening of the WTO's "Seattle Round." While in Seattle, Secretary Lyons met with United States Department of Agriculture's Deputy Secretary Richard Rominger and Undersecretary August Schumacher to discuss issues concerning NFACT – a five state coalition formed by Lyons early last year. Representatives of the 135 nations comprising the World Trade Organization, met in Seattle Washington November 30th through December 3rd. The ministerial meetings open the first round of international trade negotiations held since the WTO's creation in 1995.

Earlier this year the United States Department of Agriculture (USDA), and the US Trade Representatives Office (USTR) held a series of Listening Sessions across the country. These sessions, including one held in Sacramento, enabled the public to voice their comments on agricultural trade priorities.

In October, the Clinton Administration announced the US agenda for the Seattle Round, stating that expanding opportunities for American agriculture would be a primary goal. The US seeks to eliminate agricultural export subsidies, reduce domestic supports, and ensure market access for agricultural biotechnology.

For more information on the WTO's effects on California's agriculture, please see 'WTO and Agriculture...What's at Stake for California' on page 5.

California's 1998 Agricultural Export Statistics

California once again claimed the nation's highest agricultural export ranking in 1998, with over \$6.6 billion in food and agricultural exports. Overall U.S. agricultural exports declined 6% in 1998, while California's agricultural exports slipped down 5%. California's agricultural export decline can be attributed to the lingering effects of the Asian Financial Crisis coupled with the weather damage that occurred to California crops.

Beyond the overall decline in California agricultural exports, some commodities demonstrated tremendous export growth. With ever growing popularity, California wine exports have *Continued on page 5*

Korean Retail Market Changing

According to a recent report by the Korean Chamber of Commerce & Industry and the Korea Retailers Association, retailing has changed considerably since the economic crisis. Following are some pertinent points in the report: -value/reason/price oriented consumption is replacing conspicuous consumption and impulse buying -although declining over the past 10 years, food and beverages still comprise a major portion of consumption (28.7%). -discount stores are well positioned to service the consumer shift away from daily buying to weekly food shopping and offer good value for what consumers are willing to pay -Korea is the fastest growing web market in the world. Non-store retailing, including Internet shopping, is expected to triple from 1998 figures of 1.9 trillion won to about 5.7 trillion won by 2003 -convenience stores are expected to grow rapidly and by 2005, are predicted to occupy 2% of Korea's total retail market share. Source: ATO Seoul and "Korea Retail Market: Present and Future"



 ${\it B}{
m e}$ it Toronto, Tulsa, or Mexico City – They can all "Taste the Sunshine"

With our Hollywood stars, sandy beaches, and warm summer days, California is known around the world. The glamour and the passion that people equate with California is a powerful connotation that can now be capitalized upon. When people sink their teeth into a succulent plum, admire a top quality cotton knit shirt, and enjoy a glass of zinfandel they can now be "Californian."

The "Taste the Sunshine" campaign is a generic promotional tool that enhances your agricultural exports around the world, by tapping the image of California. The goal of the campaign is to boost the positive image of products from California by promoting the importance of healthy eating and fostering a better understanding of the important role that agriculture plays in the state's economy and our daily lives. Members of the campaign will benefit from "Taste the Sunshine" logos placed on their products and packaging because market research shows that consumers identify California with good health and quality products. By using the "Taste the Sunshine" logo you will increase consumer awareness of the availability, freshness, quality, and nutritional value of California food and agricultural products. No longer will your peach be just a peach; it will now be a "California" peach. The glamour and the glitz will now be instantly associated with your product. If you want to join the campaign or would like more information on the program, please contact AEP.

ATS Hong Kong - Trade Show Report

REPORT - TAIWAN AMERICAN FOOD FESTIVAL 1999

Taiwan American Food Festival 1999 was held from September 6-14, 1999 in three major cities of Taiwan - Taipei, Kaohsiung and Taichung. This sample and catalogue show offered a low-cost opportunity for exporters to test a market. It attracted 50 participating companies from the States, and 1,320 visitors from the Taiwan market. 11 California companies joined the California State booth at the show, and most of them found it was an excellent opportunity to test a market.

REPORT - FOOD CHINA 99

From September 23-26, 1999, Food China 99 was held in Shanghaimart, Shanghai in China. Due to the Chinese Moon Festival weekend, the upcoming Fortune 500 Conference in Shanghai and the National Day of P.R. China, the number of visitors dropped by 39% this year. Despite this, the show still attracted 500 participating companies from 36 countries and 7,442 trade visitors. Among the 15 California exhibitors, most of them found benefits to participating in this show. They viewed Food China 99 as excellent opportunity and would like to attend this show again in the future. Hopefully, the new location - Beijing, for Food China 2000 will bring a new opportunity in a new market for our exporters!

UPCOMING TRADE SHOWS

Contact AEP for more information (916) 654-0389

FOOD ASIA 2000, SINGAPORE, April 11-14, 2000

U.S. export of consumer oriented agricultural products to Southeast Asia alone, increased by 35% in the first three months of 1999. The bi-annual Food Asia 2000 - The 12th Asian International Exhibition on Food and Drink, will offer an opportunity for California exporters to explore markets in the Pacific Rim. In 1998, Food Asia attracted 27,865 trade visitors and 62 U.S. exhibitors. AEP will be organizing a California Pavilion at the show

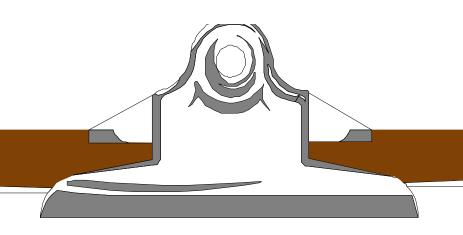
FOOD & HOTEL PHILIPPINES 2000, MANILA, PHILIPPINES, May 31 - June 3, 2000

FHP 2000 - The 3rd International Food, Drink, Hotel, Restaurant, Foodservice and Supermarket Exhibition, will be one of the most important national trade show for the food and beverage industry in the Philippines. With 6,797 trade visitors in FHP '99, most of the exhibitors agreed that it was a small but successful show for entering the Filipino market. In the coming year, the Great American Food Show organized by the U.S. Agricultural Trade Office in Manila, Philippines will take place at FHP 2000. A specially designed pavilion offers greater exposure for all exhibitors. AEP has also established an excellent location for the California Pavilion.

Continued on page 4

TRADEWINDS – A New Look!

Starting in February, Tradewinds will take on a brand new look. Tradewinds will become a monthly information tool with the goal of informing the agricultural community about pertinent exporting opportunities. Want to know about MAP application deadlines? Trade Show recruitment? Pick up the new Tradewinds in February to be informed!



Upcoming Tradeshows & Programs

The Agricultural Export Program

Phone: (916) 654-0389 Fax: (916) 653-2604

Fancy Food & Confection Show January 23-25, 2000 San Francisco, CA Contact: Beth Wilson

Canadian Produce
Marketing Association
(CPMA)
February 2-5, 2000
Banff, Canada
Contact: Juan-Alfonso Almanza

FOODEX Japan 2000 March 7-10, 2000 Tokyo, Japan Contact: Beth Wilson

Great American Food Show March 14-16, 2000 Seoul, South Korea Contact: Beth Wilson ANTAD
March 17-19, 2000
Mexico City, Mexico
Contact: Beth Wilson

Food Asia April 11-14, 2000 Singapore Contact: Beth Wilson

FMI Chicago
May 7-9, 2000
Chicago, Illinois
Contact: Juan-Alfonso Almanza

Food and Hotel Philippines May 31 – June 3, 2000 Manila, Philippines Contact: Beth Wilson

Food China 2000 June 20-23, 2000 Beijing, China Contact: Beth Wilson

Export Extra!

The Agricultural Export Team of California

The California Agricultural Export Team was created to provide a "one-stop-shop" of services to the exporting community in processed foods, agricultural technology and agricultural equipment sectors. Because of the profusion of agencies in the state that offer export assistance to small and medium-sized companies, there has traditionally been much confusion in the business community about where to go to get help in exporting. Existing in California are the centers for International Trade Development funded through the Community College system; BAYTRADE, which has been funded by the Economic Development Agency and local sources; the California Department of Food and Agriculture; the Foreign Agricultural Service; and the U.S. Department of Commerce. There are also entities, such as the Small Business Association, local chambers of commerce, and the California Trade and Commerce Agency, that offer services to current or potential exporters, though not typically to processed food companies.

The goal of the 'Ag Team' is to bring these organizations together in order to leverage scarce resources, to form a roster of services that could be offered to clients throughout the state, and to educate all trade service providers on all services in order to broaden their resource base.

The California Agricultural Export Team is an outgrowth of a memorandum of understanding between the Department of Commerce and the United States Department of Agriculture. The team is unique in the U.S. as it encompasses so many different organizations, with disparate goals and regions. Yet, cooperation between members has been phenomenal. If you are interested in more information on the 'Ag Team', please contact the Agricultural Export Program.

Continued from page 2

ATS Hong Kong cont.

FOOD CHINA 2000, BEIJING, CHINA, June 20-23, 2000

Food China 2000, the largest international event for the food & beverage industry in China, will move to Beijing after three consecutive shows in Shanghai. Beijing, as the capital of the largest emerging consumer market in the world, is also a leading buying center of food and agricultural products in China - will bring new opportunities in a new market. A "Retail in China for the New Millennium" Conference will be held alongside the show. As usual, AEP is organizing a California Pavilion at the show. Contact: Shirley Ng of AEP in Hong Kong, Tel: (852) 2877-3600 / Fax: (852) 2877-2691, E-mail: agtrade@asiaonline.net

Mexico's Current Economic Situation and Outlook.

The outlook for the Mexican economy has brightened in recent months. This optimism is based on a major rebound in world oil prices, the Government of Mexico's (GOM) conservative fiscal policy, and renewed stability in Russia, Asia and Brazil. These factors have helped strengthen the Mexican peso to 9.30/US\$1.00 in October 1999, rebounding from the 1998 low of 11.00/US\$1.00.

Mexico's exports through the second quarter of 1999 were up 10.2 percent, compared to the same period last year. In addition to the export rise, the trade deficit for the first two quarters decreased 41 percent in Mexico. Higher oil prices and a robust U.S. economy were the primary reasons for those improvements. Imports only increased 7.5 percent during the first two quarters of the year, largely because of the economic slowdown that began during the last quarter of 1998. After posting a \$7.9 billion trade deficit last year, projections for 1999 call for the deficit to decrease by \$4-5 billion. The current account deficit is projected to be around \$11.6 billion, a figure that would constitute a manageable 2.7 percent of the GDP. If the peso continues to appreciate, however, imports are likely to increase significantly over the next few months, and the trade and current account deficits could end up being larger than they are now projected. Normally there is a lag of two to three months between the time import orders are placed and the goods are actually shipped.

Higher oil prices have increased analysts' confidence in the government's fiscal target. The current average price of Mexican crude is significantly higher than the \$9.25 per barrel used to draft the budget. If the higher price remains, the Government of Mexico would obtain a windfall, making it easier to attain the deficit target of 1.25 percent of the GDP, while still having room to increase social expenditures as the country approaches the 2000 elections.

The reason for such optimism stems from the fact that the Mexican market trends react quickly to either positive or negative economic news. With such dramatic economic progress, the Mexican market is now experiencing the positive side of that instability. The fundamentals of the economy, however, have not changed dramatically over the last few months, only the expectations. Thus, there is no guarantee that this short-term optimism will continue.

Source: ATO Mexico – "News You Can Use"

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E-mail addresses remain the same.

Continued from page 1

1998 Export Statistics (cont.)

more than doubled to Japan, while California dairy exports to Mexico have had similar export success. Carrots had a phenomenal year increasing exports by 24% in 1998, while fresh tomatoes followed with an equally successful 22% export growth rate. Both of California's neighbors, Mexico and Canada, contributed greatly to these agricultural commodities' export successes.

Japan, followed closely by Canada, remains California's primary agricultural export market. In the aftermath of the Asian Financial Crisis, the Netherlands and Spain replaced China and Indonesia as one of California's principal agricultural destinations. However, Asia still remains a strong market with four of California's top agricultural export markets located in the region. With Spain's return as a principal export market, and the Netherlands' recent rise in market status - Europe is now becoming a dominant destination for California's agricultural products. The Netherlands is a primary entry way into the European marketplace with exports landing in Rotterdam, one of the world's largest port cities.

In comparing the ratio of farm quantity produced to farm quantity exported in 1998, we find some impressive figures that tie California producers to the international market. It is estimated that 83% of all almonds produced in California were exported abroad. Even California's largest almond producing competitor - Spain - became a large export market, importing 11% of all California almond exports. In addition to almonds, 60% of all prunes produced in California were exported. Japan was the largest market for California prunes importing around 30% of total prune exports. Even with only 8% of total California production exported, beef and products earned an estimated \$252 million in export value and ranked as the seventh largest agricultural export for California. Another strong agricultural export commodity was oranges, earning \$320 million in exports, reflecting 29% of total orange production in the state. Agriculture is a vital component in California's economic well being, and exporting allows our prosperity to expand even further.

TRADEWINDS – BY E-MAIL

Base Two Solutions, the fax broadcasting company for TRADEWINDS, is considering changing the distribution format to e-mail. If you are interested in receiving TRADEWINDS by e-mail, please contact Suzanne Lashley at the AEP program (916) 654-0389.

WTO and Agriculture...

What's at Stake for California?

California is the largest producer of agricultural products and the top exporter. It also boasts the second largest timber industry. Farm cash receipts totaled \$24.6 billion in 1998, and state forest industry shipments were \$6.6 billion in 1996. As for exports, the value of agricultural products leaving the state was estimated at \$7.6 billion in 1998. These exports help boost farm prices and income, while supporting about 115,500 jobs both on and off the farm in food processing, storage, and transportation. Exports are increasingly important to California's economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports has risen from 28 percent to 31 percent since 1991.

World demand is increasing, but so is competition among suppliers. If California's farmers, ranchers, and food processors are to compete successfully for opportunities of the 21st century, they need fair trade and fair access to growing global markets.

California Benefits from Trade Agreements

- California benefits from the Uruguay Round as Japan and Korea reduce tariffs on processed fruits. On almonds, the EU is reducing tariffs 36-50 percent and doubling its tariff-rate quota to 90,00 tons. Korea, Thailand and Malaysia are cutting tariffs on almonds and other nuts.
- California benefits under the Uruguay Round as Japan lowers its tariffs to 32 percent and 16 percent for oranges. Korea is establishing a tariff-rate quota for oranges and reducing its lemon tariffs to 30 percent. Japan and Korea are reducing their tariffs on fresh grapefruit to 10 percent and 30 percent.
- Under the Uruguay Round, the EU is reducing its tariffs on U.S. wine from 30.9 cents to 19.8 cents per liter by 2000. Japan is reducing its tariffs from 21.3 percent to 15 percent by 2000.

Source: USDA/FAS

Tokyo International Flower Show 2000

The Tokyo Internatinal Flower Show 2000 will be held for four days from April 27-30, 2000, at Japan's largest exhibition center; the Tokyo International Exhibiton Center (Tokyo Big Sight.) The Tokyo International Flower Show has an exceptional 13-year history of promoting trade and deeping the understanding of present and future trends in the flower industry.

This is an excellent chance to introduce your flowers and greenery to the Japanese market. The continued growth of this show, strongley reflects its value and importance to the Japanese flowery and greenery industry.

For more information, please contact: Mami Schmitz, ATS TOKYO Phone: (011-81-33) 583-3140

Fax: (011-81-33) 584-6613

Continued from page 1

Others Arrive...(cont.)

While the Export Program is saddened by the departure of both Cherié and Martha, AEP is happy to welcome Joshua Eddy to the staff.

Joshua has joined the program as a Marketing Specialist, after completing an internship with the Foreign Agricultural Service (FAS). Joshua earned a bachelor's degree in Government from California State University, Sacramento.

In addition to the changes at AEP, CDFA's Agricultural Trade Specialists in California's overseas Trade Offices have also experienced some staff changes. Jaeson Yoo has left California's Office of Trade and Investment in Seoul to pursue a career in Boston. Agricultural inquiries will now be handled by Sung Min Christopher Jun.

Christopher previously worked in Korea's Ministry of Finance. Chris' contact information is the same as Jaeson's, with the exception of e-mail, which is now smj@leemas400.co.kr. The AEP staff welcomes all the new arrivals to the Export Program.

NFACT

A New Agricultural Coalition New Mexico Florida Arizona California Texas

History: NFACT was initially proposed during the February 1999

Winter Conference of the National Association of the State Departments of Agriculture. The Coalition's first official meeting was held April 10, 1999 in Austin, Texas. On July 16,1999, a Memorandum of Understanding was signed by the states of New Mexico, Florida, Arizona, California and Texas to strengthen their commitment to the coalition's goals and purposes. Representatives from each state have been assigned and involved in coordinating and implementing the objectives established.

Purpose: NFACT represents more than 23% of the total U.S. Agricultural cash receipts, as well as over 25% of the entire U.S. Congressional Delegation. We have formed this coalition to address several issues of great importance to our states and the diverse agriculture we represent. Our purpose is to educate and bring due attention to the Coalition's views and concerns regarding national agricultural policy.

Current Issues: The NFACT coalition deals with a variety of current issues including, issue research, Risk Management, and Conservation. NFACT also supports additional funding for the Animal Plant Health Inspection Service (APHIS) and the Market Access Program(MAP).

For More Information on NFACT and how you can participate please contact: Vanessa Arellano, Director of Outreach and Intergovernmental Affairs California Department of Food and Agriculture

Phone: (916) 654-0321 Fax: (916) 654-0403

U.S. Organic Export Directory

The Organic Trade Association (OTA) seeks the names of companies to be listed in a new directory focusing on organic products available for export to both Asia and Europe. OTA has derived funding for the project under the USDA/FAS' Market Access Program (MAP). The goal of the project is to provide a comprehensive list of organic suppliers and their products to foreign buyers. The directory would then be distributed at tradeshows and ATO offices. OTA expects for the directory to be completed in early 2000, so if you are interested in being listed in the directory you can contact Mr. Donald Tyler at OTA headquarters, P.O. Box 547, Greenfield, MA 01302. Mr. Tyler's e-mail address is dtler@ota.com. Companies do not need to be OTA members to be included within this directory.

Seminars and Conferences:

Seminar: "Agriculture in Southeast Asia" Date: January 7, 2000 - 10am to 12noon Speaker: Bonnie Borris USDA/FAS

Contact the Northern California World Trade Center for more

information.

Phone: (916) 447-9827 Fax: (916) 443-2672

Seminar: The Stanislaus County Ag Center regularly holds seminars and classes on exporting. Topics covered by these activities include: documentation, exporting basics, finance, finding a freight forwarder, and others. If you are interested in a schedule of activities please contact the Merced Center for International Trade Development for more information.

Phone: (800) 355-5892 Fax: (209) 384-9268

Bits and Bites from Around the World

The Foreign Agricultural Service (FAS), USDA

TAIWAN REMOVES IMPORT BAN ON FRESH U.S. ASPARAGUS: On September 4, 1999, Taiwan Authorities announced their approval of a longstanding U.S. request to allow the import of fresh U.S. asparagus. The approval goes into effect on November 3, 1999 and fresh U.S. asparagus all states then can enter into Taiwan. Additional declarations on phytosanitary certificates apply and U.S. exporters should contact Taiwanese importers to reconfirm quarantine requirements prior to shipment. The tariff on fresh asparagus is 7.5% ad valorem CIF.

WASHINGTON, **Nov. 26**, **1999**: The U.S. Department of Agriculture has authorized \$10 million in credit guarantees for sales of U.S. agricultural commodities to Indonesia under the Commodity Credit Corporation's Intermediate Export Credit Guarantee Program (GSM-103) for fiscal year 2000.

JAPAN PROPOSES ORGANIC STANDARS: In response to consumer demand for mandatory organic production standards, the Ministry of Agriculture, Forestry, and Fisheries (MAFF) recently announced proposed standards and third-party certification requirements to be implemented April 2000. A one-year grace period is being proposed, which would delay enforcement until April 2001.

CANADA SUSPENDS U.S. PLANT EXPORTS: The Canadian Food Inspection Agency has responded to a recent outbreak of plum poxvirus in the United States with an immediate suspension of all import permits for Prunus plant material (including nursery trees, scionwood and rootstocks) from the United States.

NEW MEXICAN HEALTH REGULATION GOES INTO EFFECT: On November 7, 1999; Mexico's Secretariat of Health (SSA) implemented its new regulation of the sanitary control of goods and services, which was published August 9, 1999, in Mexico's *Diario Oficial* ("Federal Register"). It covers many basic foods (listing follows), prepared foods; food additives, cosmetics, biotechnology products, baby foods and formula; condiments; beverages (both alcoholic and non alcoholic, including bottled water), tobacco; sweeteners; confectionary products; spices; cleaning products; nutritional supplements; insect repellents; and, fish and seafood. The basic foods include milk, eggs, meat, fruits, vegetables, cereals, legumes (dry beans, etc), cocoa, coffee, tea, edible fats and oils, plus by-products and derivatives from all of these. By-products of cereals include flour, protein concentrates, bakery products, tortillas, starches, and pastas. FAS/Mexico's cursory review of this regulation has revealed that many of its requirements are already contained in various existing mandatory Mexican standards (NOMs). Furthermore, SSA officials indicated that the requirements contained in the new regulation should not conflict with the existing NOMs. Given its length (nearly 100 pages), complexity, and comprehensive product coverage, a complete analysis and translation is going to take several more weeks to complete. (Source: FAS/Mexico)

MARKET DEVELOPMENT OPPORTUNTIES - CHILE & AVOCADOS: There has been no market development possibility for U.S. avocados in Chile due to phytosanitary restrictions based on the presence of sun blotch viriod in the United States. However, USDA and Chile's plant quarantine authority (SAG) have discussed how to resolve this problem. SAG has drafted a proposed change in its regulations to permit imports from the United States. This regulation was opened for public comment in Chile October 7. The 45-day comment period ends November 21. After review and consideration of the comments, SAG is expected to announce its final regulation in January 2000. Chile's rather large, year-around avocado production and low domestic prices should discourage commercial imports for all but a few months during the marketing year. (Source: FAS/Chile) CONSUMER-READY IN FRANCE: France's dynamic market for consumer-ready and high value foods offers lucrative opportunities for U.S. exporters in a number of niche products. Hypermarkets, supermarkets and city center stores account for almost 80 percent of food retail sales. Consolidation of suppliers increased with the recent merger of Carrefour/Promodes, creating the world's second largest retail chain after Wal-Mart. Products with the best prospects include fish and seafood; beverages, including wines and spirits; dried fruits and nuts; frozen foods (ready-to-eat meals and specialty products); snack foods; tree nuts; ethnic products; innovative dietetic/health and organic foods; soups; breakfast cereals; tropical fruits; and pet foods. (FAS/France)

KOREAN VEGETABLE SEED MARKET: Korea's vegetable seed production continues to expand to meet strong year-round consumer demand for fresh vegetables. While the U. S. maintains a dominant player position in a shrinking grass and forage market, it retains only a 10-percent share position in the expanding vegetable seed market.

GMO LABELING IN RUSSIA: Russian Ministry of Health issued a consumer product labeling law effective July 1, 2000. Food and medical products derived from genetically modified sources (GMS) must be labeled according to the decree. An exception to this rule is food (such as refined oils, modified starches, syrups of glucose, etc.), which does not contain proteins. Effective January 1, 2000 information on GMS products must be included in shipping documents.

SPANISH LABELING: Although US labels and standards are currently acceptable, the Ministry for Commerce and Industries of the Dominican Republic is trying to enforce the NORDOM53, which states that basic information on food labels should be in Spanish. If this norm is enforced, U.S. exports from the US to the Dominican Republic may be seriously affected in the short run.

Asian Buying Mission's to California Continue to Meet Increasing Demands Overseas

The Asian Financial Crisis and its impact on agricultural exports, has had varying effects throughout the United States. California exporters, both small and large, have felt the effects of declining agricultural exports to Asia. To illustrate the importance that Asia represents to California, U.C. Davis' Agricultural Issues Center (AIC) estimates that 32% of all California agricultural exports are destined for Asian marketplace.

Yet, we have begun to see signs of recovery. Over the past year, the Agricultural Export Program has seen a significant increase in the number of foreign buying missions to California, a majority of these from Asian countries. The Agricultural Export Program believes that these buying missions are a key means by which Asian countries meet growing domestic market trends. Over the past 12 months, the California Agricultural Export Program has handled more than 11 buying missions from Asian countries. These countries include Japan, South Korea, Hong Kong, and Indonesia, all of which represent key export destinations for California agriculture. The USDA's Foreign Agricultural Service (FAS) reports that two previous missions (Indonesia and South Korea) have already resulted in significant export sales. Many participating Asian companies look forward to increasing their business relationship with California companies.

"There's a strong demand for our (California's) exports of both produce and processed foods to Asia and I see new export opportunities," said Juan-Alfonso Almanza, Export and Marketing Specialist for the Agricultural Export Program. "Asian companies want to trade and we (AEP) want to help California companies export."

South Korea, one of the country's hardest hit by the financial crisis of 1997, is now going through rapid changes in response to the crisis. As the effects of the crisis subside, South Korea is experiencing increasing market demand. "Korean importers are stepping up their purchases of U.S. grocery products. Korea's 75% dependence on imported food, coupled with the exhaustion of food and beverage stocks are all factors indicating a possible improvement in the future outlook of U.S. exports" (FAS/SEOUL). Consumption is not just increasing in the horticulture and processed food arenas one major California cotton exporter reported that, "the Asian market for exports is better today than it was six months ago. Overall, the Korean market has dramatically improved because of increasing consumption patterns which help our company's exports."

The recovery of agricultural exports to the Asian region, as demonstrated by profusion of foreign buying missions to California, is a strong indicator of export growth to Asia in

the first quarter of 2000. These new export opportunities should add to California's already healthy economy, especially in the agriculture and food sectors.

In January, eight Korean companies are planning to arrive in California and meet with California exporters. This buying mission will also coincide with the annual Fancy Food Show in San Francisco, California, January 23-25, 2000.

(For more information on the upcoming Korean Buying Mission and related activities please contact the Agricultural Export Program at 916-654-0389.)

Transportation Workshops for Agricultural Shippers

The U.S. Department of Agriculture and the Agriculture Ocean Transportation Coalition will host a series of transportation workshops for agricultural shippers. The workshops will last from 10am-3pm and be at the following locations.

January 24 - Portland, Oregon

January 25 - Boise, Idaho

February 4 – Fresno, California

If you would like more information on these workshops please contact AgOTC at (415) 292-6222.

AGRO FOOD MART 2000 May 18-20, 2000

The Merced Center for International Trade Development (CITD) is currently recruiting for AGRO FOOD MART 2000 in Ho Chi Minh City, Viet Nam. This will be the eighth International Trade Exhibition in Viet Nam and interested companies should contact the Merced CITD at 1-800-355-5892.

California Farm Equipment Show and International Exposition Feburary 8-10, 2000

The Fresno Center for International Trade Development has arranged export seminars at the Tulare Farm Show. These export seminars will take place during the show and cover such topics as documentation to world trends for food and agricultural products. If you are interested in a seminar schedule or any further information please contact the Fresno CITD at 1-888-638-7888.